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Book Reviews

George E. Bennett

Reynold E. Blight

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Book Reviews

ACCOUNTING METHOD, by C. RUFUS ROREM. *The University of Chicago Press*, Chicago. 596 pages.

In accepting the commission to read *Accounting Method* and to write a review thereof for publication, this reviewer was attracted by the title. This title, it was felt, might cover any one of a multitude of topics, so that perhaps the task undertaken might cause the reviewer to find something new—some one of the many angles of accounting upon which at the present time there is no worthwhile available material. However, disappointment was encountered, inasmuch as the book—it so states in the preface—is the basis for the introductory course in accounting in the university of whose staff the author is a member.

One of the first things provocative of thought is that this text defines accounting as a method, a method similar to statistics. When this reviewer studied the subject at various schools and colleges, he was given to understand that accounting was a science and accountancy a profession; he has passed along the same ideas to those who have studied under his tutelage. It seems now that a great many of us have been grievously in error for many years—that there is not so much to this accounting after all; that the knowledge we have spent ten to fifteen years to acquire is something it is now possible to salt away by merely learning a method. One would hardly expect a state to take such an active part in licensing accountants were accounting only a method.

Again, the book informs the reader that the author shows how accounting may be made a means for social control—politicians will please note that we are going to get their numbers in the near future. Apparently, those of us who work daily with accounts and their interpretation have been doing at best a sort of half-baked job since we have not realized the importance and vital value of social control. I am sure clients and employers will value our services much more than at present if in the future we emphasize this feature in our work.

The text is divided into four portions. Parts one and two introduce double-entry in what may be described as the balance-sheet approach. Parts three and four are concerned with accounting valuation and interpretation. The four portions are subdivided into forty chapters. The writing is smooth but rather verbose, and considerable repetition is encountered. Numerous chapters are rather short—a good idea—but some of them undoubtedly could be consolidated to advantage, thus making in all not more than thirty short chapters.

The illustration on page 49, closing income and expense accounts into a summary account called income and expense does not appeal to me, inasmuch as after all is said and done accountants must utilize the vocabulary of business men, rather than their own, if success is to be measured by the opinions of clients. Chapter ten on periodic adjustment and summarization appears to be rather difficult for a beginning student to follow. Chapter eleven brings into being the work sheet; this seems to be too early in the course, since a beginning student who has had only about seven weeks of work can not grasp the idea satisfactorily.

Chapter twelve concerns the balance-sheet and chapter thirteen the statement of income and expense; again, it is suggested that the ordinary business

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vocabulary would be followed closer with profit by calling the latter statement by its common name—statement of profit and loss. Chapter twenty-three on valuation of current assets is excellent.

On page 392, the reader is informed that c.o.d. sales should be credited to the regular sales account. Also, on the same page one notices that purchase discount is an offset to cost of goods. Perhaps these suggestions have been made just to have the book a bit different from generally accepted practice.

Chapter thirty-six on ratios in accounting reports is very good and worth while. But the same can not be said of chapters thirty-seven, thirty-nine and forty—on averages and trends, administrative uses of cost data and social control, respectively. It is submitted that these chapters are too advanced for elementary students.

Many writers to the contrary notwithstanding, the subject of single-entry should be given more space than is allotted to it in this book. Again and again, single-entry is encountered in practice; the books of more than one new client are single-entry records, and it is not always possible to effect an immediate change to double-entry. Also, in order to make the change it is necessary to know single-entry thoroughly. The same criticism is offered in regard to the mixed-merchandise account; it should be explained fully.

All in all, this reviewer conscientiously can not recommend this book for the purposes for which apparently it was written, even though in spots it is brilliant.

GEORGE E. BENNETT.

HOW TO TALK, by JOHN MANTLE CLAPP and EDWIN A. KANE. *The Ronald Press Co.*, New York. 647 pages.

It may seem strange and incongruous to review a book on talk in a journal for accountants, but the fact is, the accountant, of all professional men, should be the master of simple, terse, direct English. Whether writing his report, analyzing a financial statement for a board of directors, discussing a business trend at a service-club luncheon or advocating a cause before a larger assemblage, the accountant must be able to express himself with clearness and with force.

The complaint is heard that the profession of public accountancy has not received the recognition it deserves. The blame lies with the accountant. He has not "sold" himself and his profession to the business world, if we may be permitted an obnoxious yet very expressive slang phrase. On his feet, he appears tongue-tied or obfuscates his audience with a maze of technical phraseology. One talk before a stockholders' meeting or one address before a dinner club, in which the accountant has clarified a balance-sheet or illuminated an accounting principle with vividness and charm, does more to create goodwill for himself and his profession than extensive advertising, be it never so adroit.

"There is no working tool so powerful as real skill in speech." In conversation, in interview, in the social circle, in business life, on the platform, the man who can wield this tool with the greatest ease and efficiency is the master of the situation. The ability to express one's self with precision, conciseness and conviction is a personal asset of inestimable value.

In *How To Talk* Professor Clapp and Professor Kane have produced a volume that is as practical as a treatise on engineering, as comprehensive as a textbook

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on accountancy and as interesting as a best seller. As the preface promises, the book is "a plain account of how to make the best use of resources which we all possess in situations which we all experience." Vocabulary, preparation, delivery and all the technique of the art of talking are treated with a most fascinating and enlightening non-technicality, and many invaluable suggestions are given for the cultivation of the capacity to talk effectively and convincingly. These suggestions are not the trite, cut-and-dried exercises of the hack elocution teacher. They are fresh and lively and can be utilized to advantage by the sober graybeard as well as by the enthusiastic young tyro.

REYNOLD E. BLIGHT.